

## Message Text

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TAGS: ETRD PFOR EFIN UR US

SUBJECT: IZVESTIYA ON TRADE AGREEMENT

1. SUMMARY: TAKING A LINE SIMILAR TO TASS REPORTS OF PAST FEW DAYS, AN IZVESTIYA COMMENTARY OF JAN 18 BY A. BOVIN AFFIRMS THAT AS FAR AS USSR IS CONCERNED SOVIET REJECTION OF US CONDITIONS FOR IMPLEMENTATION OF 1972 US-USSR TRADE AGREEMENT DOES NOT MEAN THAT SOVIET GOVERNMENT HAS CHANGED ITS LINE ON DETENTE. ON THE CONTRARY, USSR WILL CONTINUE TO PUSH FOR IMPROVEMENT OF US-SOVIET RELATIONS, RELAXATION OF INTERNATIONAL TENSIONS. BOVIN ADDS, HOWEVER, THAT CONGRESS'S ACTION HAS IMPAIRED THE ATMOSPHERE OF BILATERAL RELATIONS; AND HE RAISES THE POSSIBILITY OF A "PAUSE" IN THE ECONOMIC RELATIONSHIP. END SUMMARY.

2. ONE OF MOST IMPORTANT SOVIET PRESS COMMENTARIES ON TRADE BILL TO APPEAR SO FAR IS A FIRM BUT RELATIVELY NON-POLEMIC BRIEF FOR SOVIET POSITION PUBLISHED IN IZVESTIYA ON JAN 18. ENTITLED "TRADE AND DETENTE" AND WRITTEN BY  
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A. BOVIN, A SENIOR EDITORIAL WRITER WHO IS REPORTEDLY CLOSE

TO BREZHNEV, THE ARTICLE IS PEGGED TO AMERICAN PRESS REPORTS THAT USSR IS RECONSIDERING ITS POSITION ON DETENTE.

3. MAIN POINTS WITH QUOTES FOLLOW:

A) IN AVALANCE OF RECENT WORLD PRESS REACTION ON SOVIET REJECTION OF TERMS OFR 1972 US-USSR TRADE AGREEMENT, SOME US NEWSPAPERS ALLEGE THAT KREMLIN IS "RE-EVALUATING" POLICY OF DETENTE.

B) US-USSR INTERGOVERNMENTAL AGREEMENT ON TRADE AND ECONOMIC RELATIONS SIGNED ON OCT 18, 1972, COVERED WIDE RANGE OF SUBJECTS. AMONG MOST IMPORTANT WAS US AGREEMENT TO REMOVE DISCRIMINATORY RESTRICTIONS ON TRADE WITH SOVIET UNION AND GRANT MFN TREATMENT. IN RETURN, US INSISTED THAT USSR REPAY LEND-LEASE DEBT OVER FIXED PERIOD.

C) USSR AGREED TO THIS DEMAND DESPITE FACT THAT DEBT ALREADY PAID BY BLOOD OF SOVIET SOLDIERS, A VIEW SUPPORTED BY QUOTE FROM WASHINGTON POST EDITORIAL OF PAST FEW DAYS. USSR DID SO TO ENSURE NORMALIZATION OF SOVIET-US RELATIONS TO MAXIMUM DEGREE POSSIBLE.

D) WHEN AGREEMENT WAS SIGNED US SECRETARY OF COMMERCE PETERSON STRESSED GREAT DIVIDENDS--BOTH POLITICAL AND ECONOMIC--WHICH WOULD RESULT FOR BOTH SIDES. MANY DIVIDENDS ACTUALLY HAVE ALREADY BEEN ATTAINED AND A BASIC ECONOMIC POLICY OF DETENTE HAS ACUTALLY DEVELOPED.

E) AFTER LONG DELAYS AND DEBATES US CONGRESS DECLINED SUITABLE LEGISLATIVE PROPOSALS MADE BY US "GOVERNMENT" (READ ADMINISTRATION) AND "ON INITIATIVE OF SENATOR JACKSON THE EXTENSION OF MFN TO OUR COUNTRY WAS MADE DEPENDENT ON REQUIREMENTS WHICH AIMED TO INFLUENCE THE EMIGRATION POLICY OF THE SOVIET UNION." CONGRESS ALSO IMPOSED ARBITRARY LIMITATIONS ON US EXPORT-IMPORT BANK, INCLUDING A DOLS 300 MILLION LIMIT ON CREDITS TO THE USSR OVER THE NEXT FOUR YEARS.

F) THUS, IN THE ECONOMIC AREA THE US CONGRESS RETAINED ECO-LIMITED OFFICIAL USE

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NOMIC DISCRIMINATION AGAINST THE SOVIET UNION. AND IN POLITICAL AREA IT ATTEMPTED TO INTEFERE IN SOVIET INTERNAL AFFAIRS. "REJECTING OFFENSIVE CONDITIONS IMPOSED BY CONGRESS, SOVIET GOVERNMENT HAS TAKEN THE ONLY REASONABLE, THE ONLY CORRECT STEP. AND THIS IS NOT BECAUSE 'THE KREMLIN' HAS RECONSIDERED THE MEANING OF DETENTE, BUT BECAUSE DETENTE CAN NOT BE BASED ON POLITICAL EXTORTION--IT REQUIRES MUTUAL ESTEEM, DISCUSSION ON EQUAL TERMS. IT REQUIRES THAT WORDS

NOT DIFFER FROM DEEDS."

G) "COLLAPSE OF JACKSON'S ENTERPRISE SHOULD SERVE AS A LESSON FOR THOSE POLITICAL SIMPLETONS (OR PROVACATEURS) WHO SUPPOSE THAT ONE CAN SPEAK TO THE SOVIET UNION IN THE LANGUAGE OF BLACKMAIL."

H) "IT GOES WITHOUT SAYING THAT DECISION OF THE CONGRESS FREES SOVIET UNION FROM THAT PART OF OBLIGATIONS STIPULATED (BY THE CONGRESS) IN OFFER OF MOST-FAVORED-NATION TREATMENT TO THE USSR."

I) "AS FOR OVERALL TRADE AND ECONOMIC RELATIONS, THE MOOD OF THE WHITE HOUSE AND OF AMERICAN BUSINESSMEN GIVE REASON TO BELIEVE THAT THESE RELATIONS WILL CONTINUE TO DEVELOP. IN MOSCOW IT CONTINUES TO BE BELIEVED THAT THIS SERVES THE INTERESTS OF BOTH COUNTRIES."

J) "...ONE CAN NOT EXCLUDE THE POSSIBILITY THAT THE ACTIONS OF THE FORCES OBSTRUCTING THE EXPANSION OF SOVIET-US CONTACTS IN THE ECONOMIC SPHERE MAY BRING ABOUT ITS OWN KIND OF PAUSE, AN INTERRUPTION IN THE COURSE OF THIS PROCESS." HOWEVER, THE INTERESTS OF THE USSR WILL NOT SUFFER SINCE THERE ARE MANY POSSIBILITIES OPEN FOR DEVELOPMENT OF ECONOMIC COOPERATION IN EUROPE AND ELSEWHERE IN WORLD. PARIS NEWS-PAPER L'ECHO QUOTED AS WRITING THAT "NOW IS TIME FOR WESTERN EUROPE TO PLAY ITS CARD."

K) "VIEWING SITUATION IN BROADER PERSPECTIVE, ONE CAN NOT HELP BUT CONCLUDE THAT DECISIONS OF US CONGRESS HAVE IMPAIRED OVERALL ATMOSPHERE OF SOVIET-AMERICAN RELATIONS. THEY TURN THE CLOCK BACK. THEY AGAIN RAISE QUESTION OF THE LIMITS OF TRUST, OF THAT MINIMAL UNDERSTANDING WITHOUT LIMITED OFFICIAL USE

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WHICH FORWARD MOVEMENT CAN NOT TAKE PLACE."

L) "USSR INTENDS IN FUTURE TO PURSUE FURTHER EXPANSION OF RELAXATION OF INTERNATIONAL TENSIONS. OUR COUNTRY, AS PREVIOUSLY, IS INTERESTED IN THE POSITIVE DEVELOPMENT OF SOVIET-AMERICAN RELATIONS IN ALL AREAS. HOWEVER, IF ACTION BY ONE SIDE IS SUFFICIENT TO WORSEN THESE RELATIONS, EFFORTS ON BOTH SIDES ARE NECESSARY TO IMPROVE THEM."

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